GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3108
ANSWERED ON:12.08.2005
RETAIL INVESTORS
Manvendra Singh Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently allowed the retail investors to buy and sell gold through demat account;

(b) If so, the salient features of the scheme; and

(c) The manner in which it will be beneficial to the traders, the common man and the Government?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) and (b): Government has allowed a fortnightly Gold futures contracts which commences every Wednesday of the week and is settled through demat account. The outstanding position in respect of these contracts has to result in delivery on maturity of the contract through demat account maintained by the buyers and sellers.

(c): These contracts will be beneficial to traders and common man to hedge their prices risk on their holding of Gold. They can also use these contracts as investments. These contracts will help in developing the efficiency of the Gold market.